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**USTR ANNOUNCES TERMINATION OF GSP REVIEW OF GUATEMALA  
AND INITIATION OF REVIEWS OF BELARUS AND SWAZILAND**

U.S. Trade Representative Charlene Barshefsky announced today that the United States has terminated the Generalized System of Preferences (GSP) worker rights review of Guatemala. She also announced the initiation of two new worker rights reviews, dealing with Belarus and Swaziland.

In 1992, following the receipt of several petitions alleging that Guatemala was not providing internationally recognized worker rights, USTR initiated a GSP eligibility review. Throughout the review, USTR held numerous bilateral consultations with the Guatemalan Government to encourage the government to take the necessary steps to protect workers rights. These discussions intensified with the election of President Arzu. The most noteworthy progress during the review has been accomplished during his presidency, which has been characterized by a dramatic reduction of the intimidation of workers and their leaders.

The Guatemalan Government also has developed administrative remedies, such as the suspension of export licenses and the withdrawal of various tax benefits and operating permits to deal with labor law violations. Procedures for the registration of unions have been simplified. The Labor Ministry has doubled the labor inspection corps and improved training. A series of pre-emptive inspections of work sites in rural areas has resulted in significantly higher levels of compliance with the minimum wage laws.

The Ministry of Labor has endeavored to change the traditional confrontational and politicized relationship between labor, business and government. Part of this effort has been the establishment of a Tripartite Commission to discuss items of common interest, including labor law reform - which we hope will move forward expeditiously.

Of continuing concern is the inefficiency of the judiciary in dealing promptly with labor cases. The number of courts dealing with labor issues is being increased and decentralized which should help remedy this situation.

“While significant progress has been made in the implementation of Guatemala’s labor laws, further advances are needed,” said Barshefsky. “We will continue to monitor the treatment of workers in Guatemala and will self-initiate a new GSP review if there is serious retrogression in the areas the case has addressed.”

The new reviews involving Belarus and Swaziland respond to petitions filed by the AFL-CIO. In announcing the initiation of these reviews Ambassador Barshefsky said, “The GSP eligibility of Belarus must be reviewed since the Government of Belarus appears to be imposing major obstacles that impede the right of association among workers. Reports of intimidation of independent union members are particularly disturbing.”

The allegations related to Swaziland include the use of force by the government to break up legitimate strikes and demonstrations by workers. The 1995 Industrial Relations Bill also has troubling features.

The Generalized System of Preferences (GSP) is a program that grants duty-free treatment to specified products that are imported from more than 140 designated developing countries and territories. The premise of GSP is that the creation of trade opportunities for developing countries is an effective, cost-efficient way of encouraging broad-based economic development and a key means of sustaining the momentum behind economic reform and liberalization. GSP is designed to encourage beneficiaries to eliminate or reduce significant barriers to trade in goods, services, and investment, to afford all workers internationally recognized worker rights, and to provide adequate and effective means for foreign nationals to secure, exercise and enforce exclusive intellectual property rights.